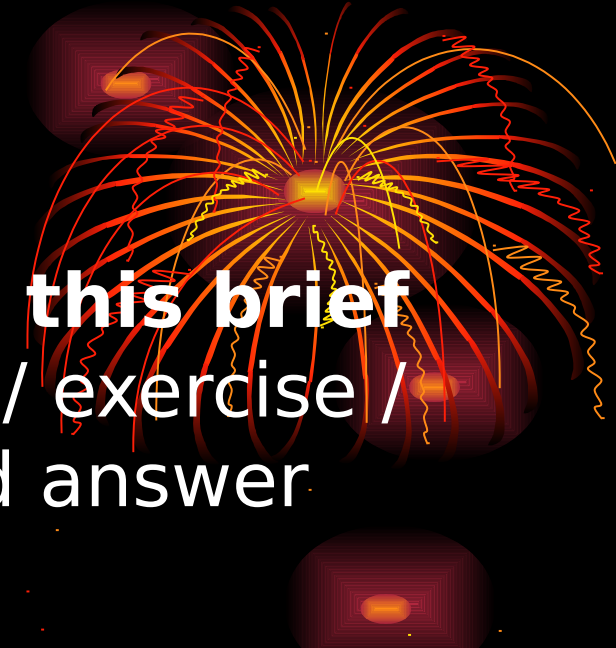




Introduction to Risk Management

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Deputy Director
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For those of you who finish this brief before I do...For every event / exercise / mission at every level, ask and answer three questions:

On-duty

1. What are the risks?
2. What can I do to reduce the risk?
3. If I can't reduce the risk, who do I tell?

Off-duty

1. Can it hurt me?
2. Will I get in trouble?
3. Will it leave a mark?

What is Risk Management?

- A **decision making tool**, that can be used by everyone, to increase personal awareness by **anticipating hazards & reducing** the potential of injury or death, thereby increasing the probability of a long life.



Goals of Risk Management

- Goal: Manage risk so the Event / Exercise / Mission can be accomplished without leaving a mark (injury or death.)
- Goal for the military: To optimize operational capability and readiness by managing risk to accomplish the mission with minimal loss.



Every 5 years mishaps cost us
\$4.3 billion and 1042 people

- **Eliminating those mishaps would build & crew
2 Guided Missile Cruisers or 55 MV-22's.**



or

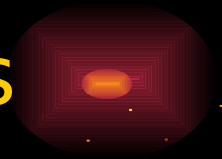


What is a billion of anything?



- A billion seconds ago it was 1959!
- A billion minutes ago Christ was still alive!
- The 4.3 billion dollar price tag on the previous slide equals \$27 per second!

Why do we need Risk Management?



- All services decreasing in size.
- Number of mission requirements increasing.
- We take care of our own! We cannot afford to sustain the losses we historically have suffered in training, on-duty, and off-duty mishaps.

Why do we need Risk Management?



- To control/take the “bullet proof” out of the 18-26 year olds!
- To live up to being a professional leader!
- Because we are mentors. You are training your replacement. How well he/she does it a direct reflection of you, Good, Bad, or Ugly.

The Process



1. Risk Management Process
2. Identify Hazards
3. Assess Hazards
4. Make Risk Decisions
5. Implement Controls
6. Supervise

Risk Management

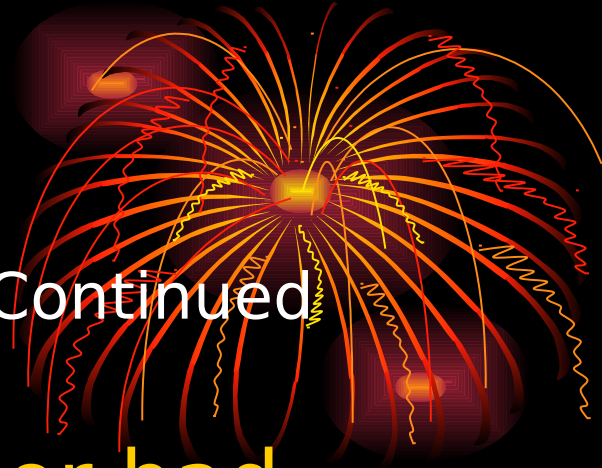
Definition of Terms



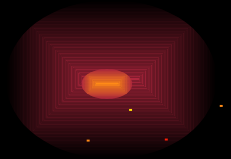
1. **Nine Terms** (which maybe a different language.)
2. **HARARD:** Any real or potential condition that can cause injury, illness, or death of personnel or damage to or loss of equipment, property, or mission degradation/interferes with liberty.

Risk Management

Definition of Terms continued



2. **RISK:** Chance of hazard or bad consequences; exposure to chance of injury or loss. Risk level is expressed in terms of hazard probability and severity.



Risk Management

Definition of Terms continued



3. **EXPOSURE:** The frequency and length of time subjected to hazard.

4. **PROBABILITY:** The likelihood that and event will occur.

Risk Management

Definition of Terms continued



5. **SEVERITY:** The expected consequence of an event in terms of degree of injury, property damage, or other impairing factors (will it leave a mark, will I get in trouble, adverse publicity, etc.) that could occur.

Risk Management

Definition of Terms continued



6. CONTROLS: Actions taken to eliminate hazards or reduce the risk. (The idea is not to take action that would introduce a new or riskier hazard.)

7. RISK ASSESSMENT: The identification and assessment of hazards. (A one hour class of this.)

Risk Management

Definition of Terms continued



8. RESIDUAL RISK: The level of risk remaining after controls have been identified and selected for hazards that may result in loss of life, injury or property damage. (Reduce the hazard / risk to an acceptable level or until it cannot be practically reduced further.)

Risk Management

Definition of Terms continued



9. RISK DECISION: The decision to accept or not accept the risk(s) associated with an action; made by the commander, leader, or individual responsible for performing that action.

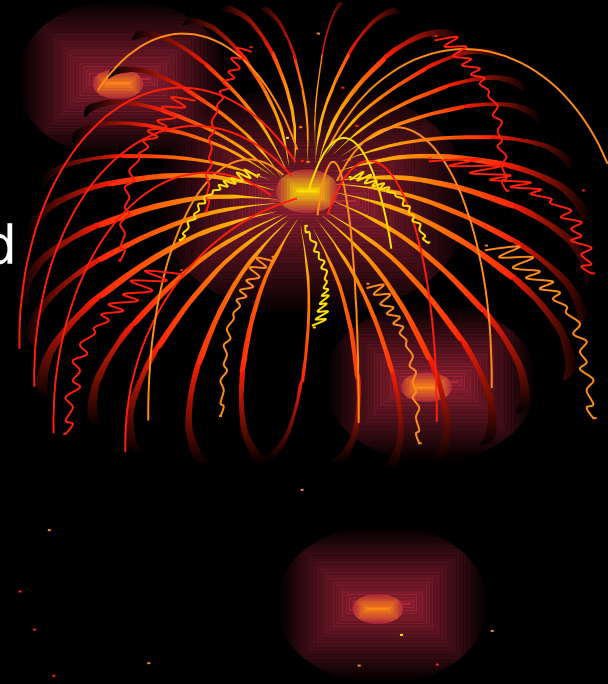
Causes of Risk

- Change – The “Mother” of all Risk
- Resource Constraints
- New Technology
- Complexity
- Stress



Causes of Risk Continued

- Human Nature
- High Energy Levels
- Societal Constraints
- Environmental Influences
- Speed/Op tempo



Four Risk Management Principles



- Accept risk when benefits outweigh the cost.
- Accept no unnecessary risk.
- Anticipate and manage risk by planning
- Make risk decisions at the right level.

Risk Management vs Traditional Approach



RM

- Systematic
- Proactive
- Integrate all types of Risk into planning.
- Common process/terms
- Conscious Decisions base of risk vs benefit.

TRADITIONAL

- Random, Individual Dependent
- Reactive
- Safety as an After Thought once plan is done
- Non-standard
- “Can Do: regardless of risk

How do we apply?



1. Three Levels of Application
2. Time-critical – On the run consideration of the 5 steps.
3. Deliberate – Application of the complete 5 – Step Process
4. In-depth – Complete 5- Step Process with detail analysis

SUMMARY

- What is RM?
- Goal of RM
- Cost
- Why we need RM
- The Process
- Terms & Definitions
- Causes of Risk
- 4 RM Principles
- RM vs Traditional Approaches
- How do we apply RM



QUESTIONS?

